



## **CITY OF HAYWARD**

### **AGENDA REPORT**

AGENDA DATE 01/04/00

AGENDA ITEM \_\_\_\_\_

WORK SESSION ITEM 2

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** FEMA Flood Insurance Rate Map Revisions

#### **RECOMMENDATION:**

It is recommended that the City Council review and comment on this report.

#### **BACKGROUND:**

As a result of Congressional Passage of the 1968 National Flood Insurance Act, the Federal Emergency Management Agency (FEMA) established the National Flood Insurance Program in 1973. This program enabled homeowners in flood-prone areas to purchase insurance protection against losses from flooding. Participation in the program is based on an agreement between local communities and the federal government. If a community implements and enforces measures to reduce future flood risks to new construction in special flood hazard zone areas, the federal government makes flood insurance available for affected property owners within the community. This insurance is an important financial protection against flood losses that do occur.

The purpose of this worksession item is to review the impact on specific properties of the final Flood Insurance Rate Maps (FIRM) approved by FEMA in August 1999 and proposed revisions to the Flood Damage Prevention Ordinance.

#### **Discussion:**

The identification of flood-prone areas is based on Flood Insurance Studies (FIS) undertaken by FEMA. FEMA attempts to review each municipality's Flood Insurance Study and resulting Flood Insurance Rate Maps (FIRM) every five years. The work is normally contracted out to consultant firms. The latest revision process began in 1996 and covered the cities of Hayward, San Leandro, Union City, Newark, Fremont, and parts of unincorporated Alameda County. The FIS process includes development of hydrologic data based on rainfall information, which is used to determine how much rain falls in a particular area in a specific storm event, such as a 100-year storm. The rainfall data is then used in hydraulic calculations to determine if the existing drainage channels can carry that amount of water and, if not, how it will spread out -- resulting in identification of the 100-year or 500-year flood plain. The use of accurate rainfall and topographical data is critical to the process. In October of 1996, Alameda County began

questioning the validity and accuracy of the data used by FEMA's consultant and their resulting analysis.

On June 13, 1997, FEMA issued a letter with copies of the preliminary FIS/FIRM revisions for the City's review and comments. It was obvious to staff at the time that there appeared to be significant problems with the initial maps and, therefore, any notification to property owners would be premature. On August 29, 1997, a coordination meeting of the affected cities and the County was held to discuss the proposed FIS/FIRM revisions. It was agreed that the individual cities would review revisions in their respective jurisdictions and would submit their concerns to Alameda County. The Alameda County Flood Control District is the only local agency with the necessary staff and funding to analyze the extensive data used in the analysis. The County would then prepare appeals to the proposed FIS/FIRM revisions on behalf of all the cities. Over the next ten months, the County expended significant effort in negotiating with FEMA and by June 24, 1998, had submitted both data and analysis that essentially redid the consultant-prepared FIS and FIRM.

On August 9, 1999, FEMA finalized their response to the City's appeal and indicated the new maps would become effective on February 9, 2000. Actual maps were not made available to staff until late October 1999. The majority of the revisions requested by the City of Hayward and appealed on our behalf by Alameda County were incorporated into the FIS and the new FIRM maps. This reduced the number of homeowners who would need to buy flood insurance. It should be noted that, at this point, neither the Council nor the property owners have the ability to change the flood zone boundaries as established by FEMA on the finalized FIRM without providing new technical data. Unfortunately, more detailed existing information has resulted in the inclusion of some additional areas into the 100-year flood plain or Special Flood Hazard Zone A. Property owners within the 100-year flood plain will need to purchase flood insurance for federally funded or guaranteed financing.

#### **Flood Insurance Rate Maps:**

The updated FIS did not analyze the entire City. However, the FIS re-evaluated five of nine channels within the city boundaries and resulted in revisions to eight of the twelve FEMA map panels that cover the City of Hayward. By overlaying the new FIRM over the existing FIRM, staff has identified approximately 153 residential properties and 124 industrial properties which are in Special Flood Hazard Zone A for the first time and may need to carry flood insurance for purposes of mortgage financing. Conversely, we have identified approximately 91 residential properties but no industrial properties that are no longer in Flood Hazard Zone A and will no longer be required to carry flood insurance.

Exhibit A contains reduced copies of the staff-created maps that show both the areas added (shown in yellow) and removed (shown in green) from Flood Hazard Zone A. The most significantly impacted areas are the residential areas around Mocine Avenue, Dixon Street and Chisholm Court, and the industrial areas south of Industrial Parkway and north of Alameda Creek between I-880 and Hesperian Boulevard and the area along Industrial Parkway near Huntwood Avenue. Portions of the Hayward airport and other smaller areas are also affected.

Of special note is the impact upon Spanish Ranch II Mobile Home Park. This area was not identified in the 100-year flood plain on previous maps. However, as Council is aware, this area has flooded twice in the past several years. The latest FIRM shows that the southern half of Spanish Ranch II is in Special Flood Hazard Zone A. This represents 309 mobile home lots. As Council was previously informed in a weekly staff report, Alameda County Flood Control has a plan to protect Spanish Ranch II from future flooding. Although they have not yet installed their proposed wall along the Ward Creek channel, they are in the process of working with FEMA to insure that what they ultimately build will effectively remove the park from the 100-year flood plain caused by overtopping of their facilities. Because of the sensitivity of flooding issues in this area, staff will arrange with Alameda County Flood Control and Spanish Ranch II management to provide an informational meeting for the mobile home owners.

Following this worksession, the draft letters shown in Exhibits B and C will be sent to those property owners affected - either positively or negatively- by the changes in Special Flood Hazard Zone A designation resulting from the FIS/FIRM revisions. These new revisions go into effect February 9, 2000. The Exhibit B letter advises those property owners newly included in Zone A that if they purchase flood insurance prior to February 9, 2000, they will be able to purchase the insurance at a lower rate than if they wait until after February 9, 2000. Federal law allows them to buy insurance prior to that date at the existing rate applicable to their property rather than the re-study rate. For someone previously included in Zone C who is now in Zone A, their existing flood insurance rate will be about half of the rate after February 9, 2000, so if they are planning to refinance or otherwise want the additional insurance protection, it will be worthwhile to buy the insurance now. Because of the various factors involved, such as whether or not there is a basement or whether the first floor is elevated above the 100-year flood elevation, a precise quantitative comparison of insurance rates for each property is not possible. Affected property owners need to contact their insurance agents or the FEMA office for specific rate information. The Exhibit C letter advises property owners who already have flood insurance where it will no longer be required to contact their lending agency prior to dropping their insurance.

#### **Flood Damage Prevention Ordinance:**

The City's Flood Damage Prevention Ordinance must be amended because the City's existing ordinance needs to reference the new FIRM. The ordinance is also being amended to include provisions from the latest federal Flood Plain Management model ordinance. Since the City's ordinance was last amended in 1990, staff has identified several changes it feels are necessary in order to bring the City's ordinance into conformance with FEMA regulations. Staff is developing a new ordinance that is proposed for introduction on January 18, 2000.

The changes proposed will be addressed in more detail on January 18, 2000, but will include re-titling as the Flood Plain Management Ordinance as well as identifying the Director of Public Works or his designee as the Flood Plain Administrator. The City Manager and City Council will now be identified to handle appeals and variance procedures. The new ordinance

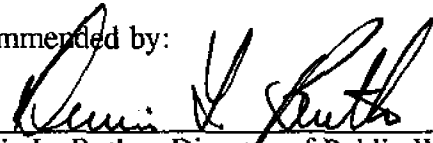
will also permit the incorporation of revised FEMA maps by resolution of Council so that in the future when maps are revised the ordinance will not need to be amended. The revised ordinance will provide more specifics regarding what should be submitted with a development permit to insure that new buildings are protected from flooding. Also, under the construction section, flood-proofing requirements will be clarified. A new section on recreational vehicles will also be added.

Prepared by:



Robert A. Bauman, Deputy Director of Public Works

Recommended by:



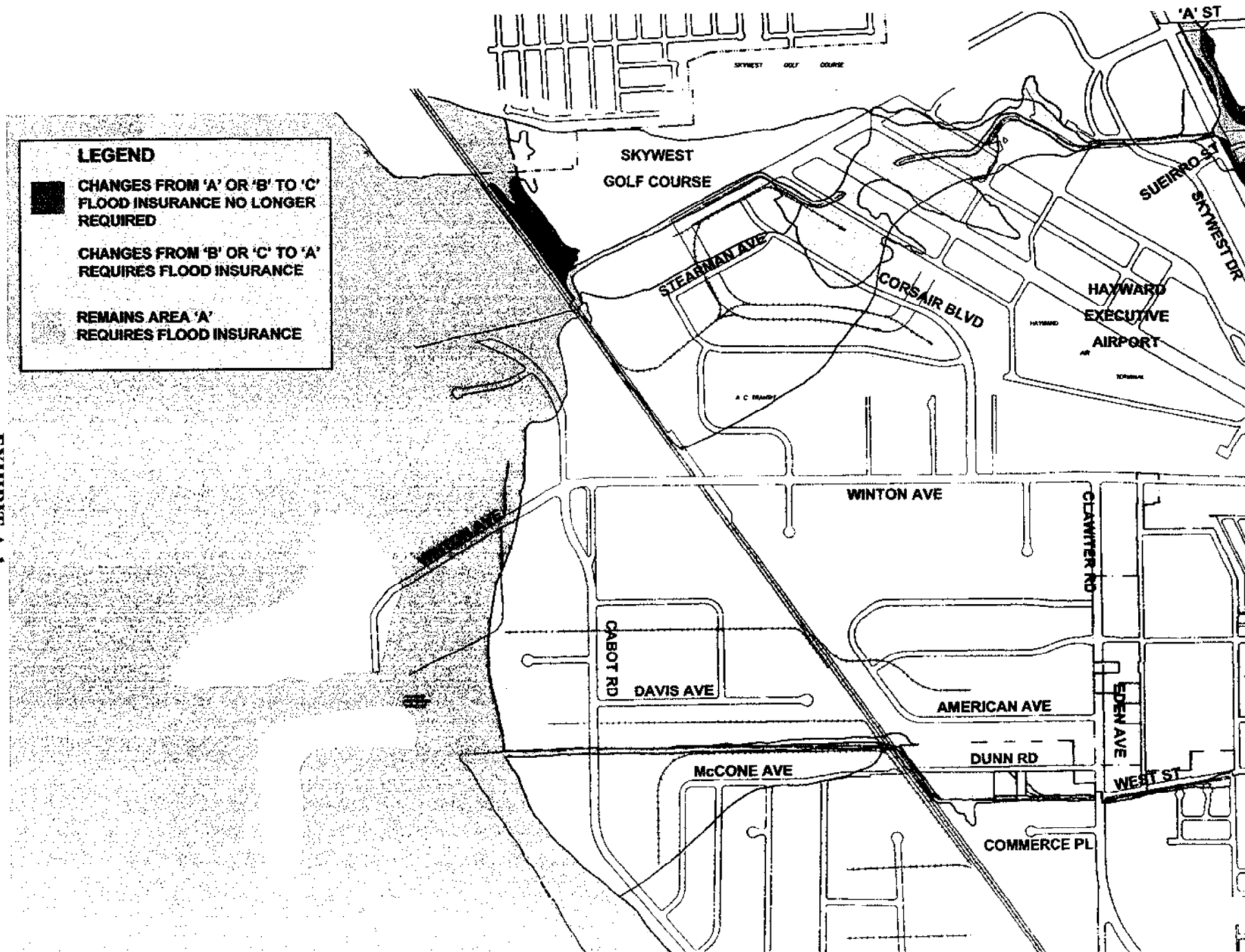
Dennis L. Butler, Director of Public Works

Approved by:



Jesús Armas, City Manager

Attachments:   Exhibit A: Maps Highlighting FIRM Changes  
                    Exhibit B: Draft Notification Letter – New Zone A Properties  
                    Exhibit C: Draft Notification Letter – Properties Removed from Zone A



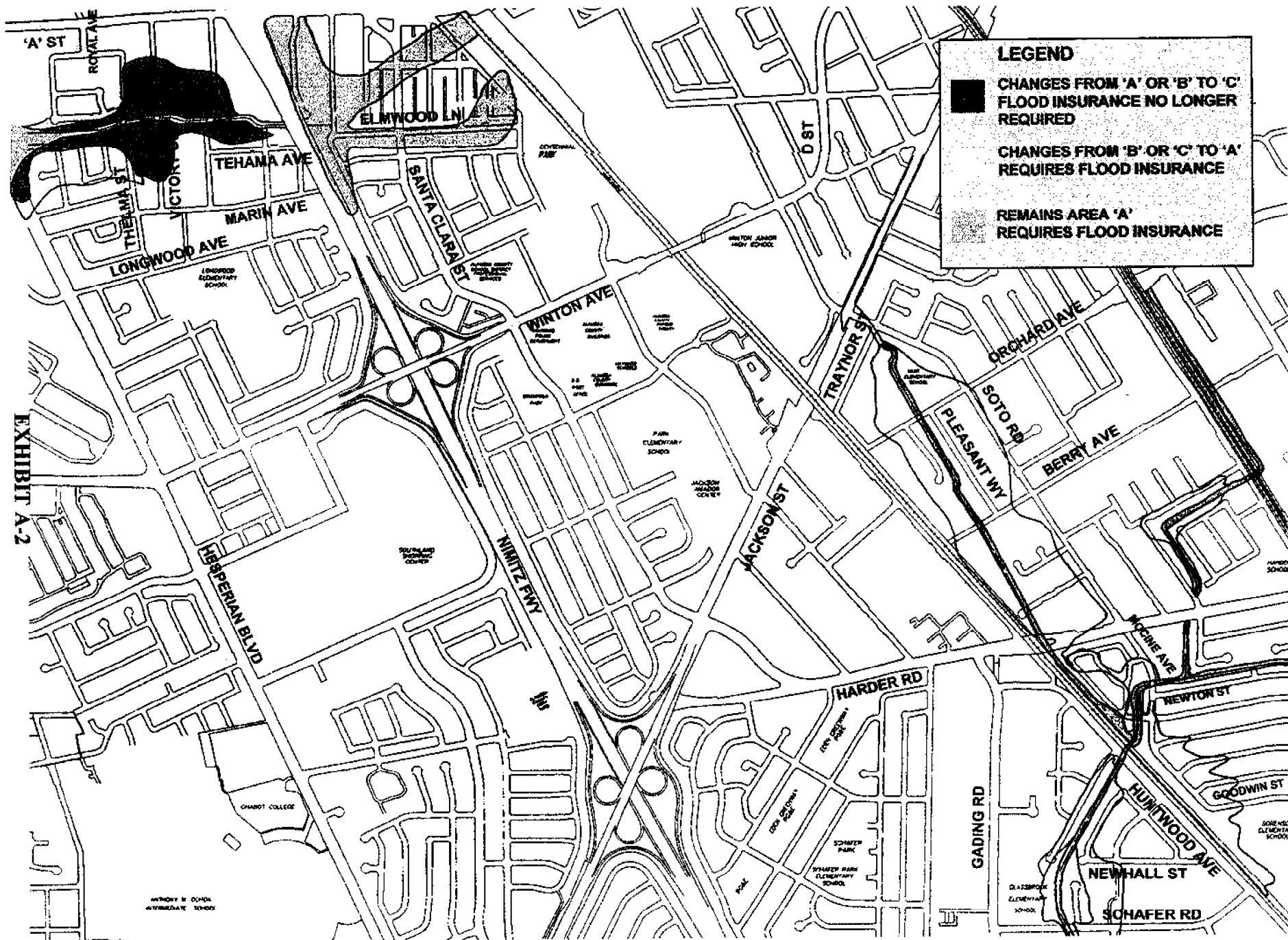
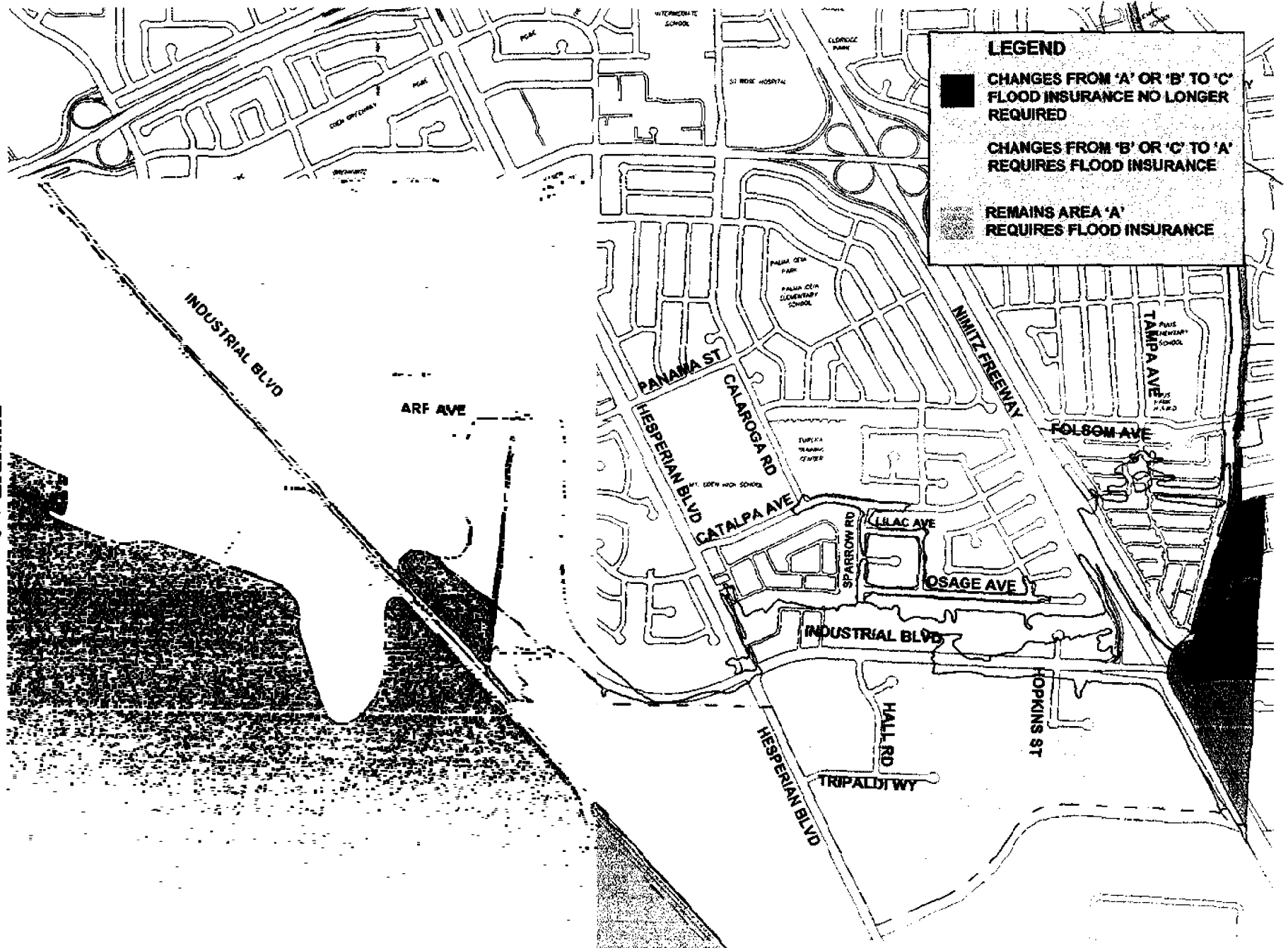
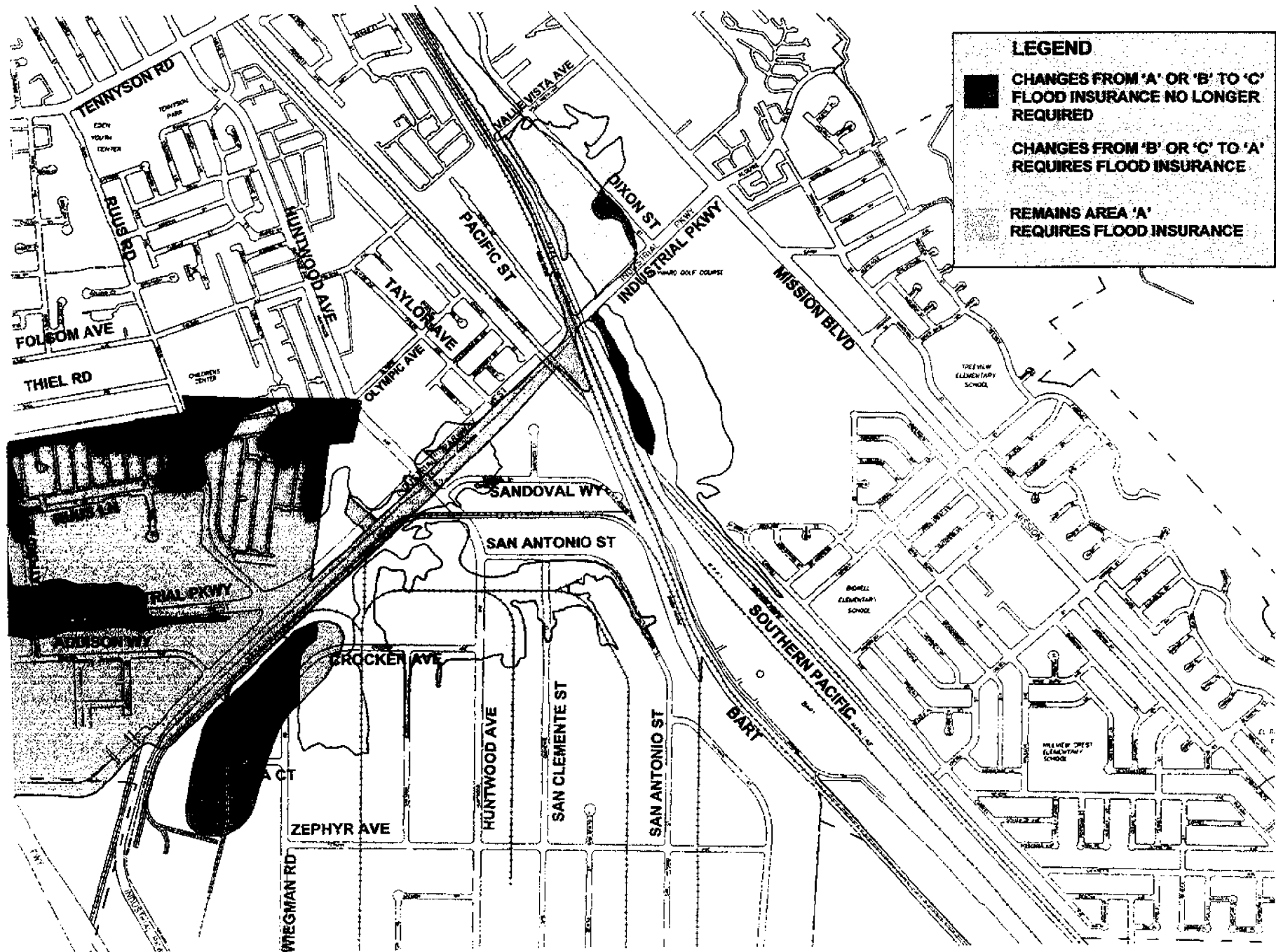


EXHIBIT A-2







January 5, 2000

**RE: REVISED FLOOD INSURANCE RATE MAP**

Dear Hayward Property Owner:

The Federal Emergency Management Agency (FEMA) has recently completed a restudy of the potential for flooding in Southern Alameda County, including the City of Hayward. Based on the results of this study, FEMA has determined that your property has a greater potential for flooding than previously thought. Given this change, **federal regulations give you the opportunity to purchase flood insurance at a reduced rate if you act before February 9, 2000. Flood insurance may be mandatory if you refinance or secure a new mortgage.**

The map revisions appear to affect your property by changing the flood zone designation from Zone C (no flood hazard) or Zone B (area between 100-year and 500-year Special Flood Hazard Area with depths less than one foot) to Zone A (100-year Special Flood Hazard Area). **Federal regulations make flood insurance mandatory as a condition of a new or refinanced mortgage for properties located in Zone A.** The effective date of the new maps will be February 9, 2000. The revised FEMA maps may be reviewed at City Hall in the office of Engineering & Transportation.

FEMA Flood Insurance Regulations provide that an owner whose property is being reclassified from Zone C to Zone A by virtue of re-mapping may purchase flood insurance at the Zone C rate before the effective date of the revised maps. According to FEMA, the Zone C annual flood insurance premium is approximately one-half of the Zone A rate. **In order to qualify for the discount rate, a property owner must purchase the flood insurance prior to the effective date of February 9, 2000.**

The City of Hayward participates in the Federal Government's National Flood Insurance Program and provides flood zone information to the public from the FEMA maps. However, City staff is not able to provide information on flood insurance premiums or the process to obtain flood insurance. Detailed information on the flood insurance program is available from your insurance agent or the FEMA office in San Francisco at 415-923-7177. You may also call the National Flood Insurance Program information center at 1-800-427-4661. In addition, FEMA's internet site at [www.FEMA.gov](http://www.FEMA.gov) has additional information on the flood insurance program.

Because enforcement of the requirement to obtain flood insurance is the responsibility of federally insured lending agencies, you may never be affected by this flood zone designation change unless you refinance or sell your property. In case you plan to refinance or want the added insurance protection, we are notifying you of the map revisions so that you can contact your insurance agent about purchasing flood insurance at the discounted rate, which could result in substantial future savings to you.

Attached is a list of Questions and Answers related to the revised FEMA maps that may prove helpful to you. If my staff can be of further assistance or if you have any additional questions, please call Norman Payne at (510) 583-4796.

Very truly yours,

ROBERT A. BAUMAN  
Deputy Director of Public Works

NP/ps

Attachment

January 6, 2000

**Questions and Answers related to the revised FEMA maps**

**Question:** Why were the maps redrawn?

**Response:** The maps were redrawn due to the unusual precipitation experienced in our area during the past several years, the availability of more accurate topographic information for the areas in the vicinity of flood control channels and more accurate modeling of flood information.

**Question:** What is the National Flood Insurance Program (NFIP)?

**Response:** The National Flood Insurance Program is a federal program enabling property owners to purchase insurance protection against losses from flooding. Participation in the National Flood Insurance Program is based on an agreement between local communities and the federal government. If a community implements and enforces measures to reduce future flood risks to new construction in special flood hazard zone areas, the federal government makes flood insurance available for affected property owners within the community. This insurance is an important financial protection against flood losses that do occur.

**Question:** Who administers the program?

**Response:** The National Flood Insurance Program is administered by the Federal Insurance Administration (FIA), a component of the Federal Emergency Management Agency (FEMA). Congress established the National Flood Insurance Program with the passage of the National Flood Insurance Act of 1968.

**Question:** Who determines whether insurance will be required?

**Response:** Banks and other lending institutions that offer mortgages for properties determine the requirement for flood insurance.

**Question:** Is flood insurance mandatory?

**Response:** Yes and No. If the property is determined to be in a Flood Zone A and the loan or mortgage is provided by lending institutions regulated by the Federal government, flood insurance will be required (by the lending institution). However, even though it is not mandatory, it is a good idea to purchase flood insurance if the property is in a flood zone. Also, if you plan to refinance in the near future, it may be a good idea to get the insurance at the lower rate. The fact the property is in a flood zone means there is a flooding risk. Insurance premiums are less if the property is presently not in a Flood Zone A.

**Question:** What is a Flood Insurance Rate Map (FIRM)?

**Response:** A FIRM is usually issued following a flood risk assessment (Flood Insurance Study or FIS) done by FEMA and consists of a study of the city's flood control facilities and the potential flooding of areas based on the elevation of the structure's building pad and proximity to the flood control facilities. The original City of Hayward Flood Insurance Study was completed in 1981 and the first FIRM for the City took effect in September 1981 with revisions in February 1986. These maps are available in the City of Hayward Engineering and Transportation Division, 777 "B" Street, Hayward.

The revised FIRM, based on the most recent updated FIS, will take effect on February 9, 2000. Maps are available for review at the City of Hayward Engineering and Transportation Division or they can be obtained from FEMA on or after February 9, 2000.

**Question:** What is a 100-year flood event?

**Response:** A 100-year flood event refers to a flood that occurs on average once every 100 years or has a 1 percent probability of occurring each year. Because it is a probability, it is possible to have 100-year flood events in successive years.

**Question:** How is the **FIRM** developed?

**Response:** FEMA is responsible for developing and revising the FIRM. FEMA acquired the services of a consultant to prepare the revised Flood Insurance Study. The FIRM is developed by means of a Flood Insurance Study using statistical analyses of records of river flow, storm tides, and rainfall; information obtained through consultation within the community; flood plain topographic surveys and hydrologic analyses. The detailed Flood Insurance Study covers those areas that are subject to flooding from rivers, channels and streams, along coastal areas and lake shores, or in shallow flooding areas, but does not include areas of less than one square mile. A detailed study was made on five of the flood control channels within the City. The Flood Insurance Study then determines the extent of the flooding that will occur in these areas during a 100-year or 500-year event storm. The flood inundation areas are then drawn on the FIRM.

**Question:** What are the different flood zones?

**Response:** The different zones consist of the following:

- A** Areas of 100-year flood; base flood elevations hazard factors are determined. Areas subject to inundation by a 100-year flood. There are more specific subzones within this broad category.
- B** Areas between the 100-year flood and 500-year flood; or certain areas subject to 100-year flooding with average depths less than one (1) foot or where the contributing

drainage area is less than one square mile; or areas protected by levees from the base flood. (Medium shading on the FIRM).

**C** Areas of minimal or no flooding (No shading on the FIRM)

**Question:** How do I appeal the new maps?

**Response:** The Flood Insurance Study is final and no appeal is possible. This FEMA study is based purely on technical data. The City has already appealed incorrect information and Alameda County Public Works Agency submitted the appeal for and on behalf of the City on the revised FIRM. The FIRM was finalized on August 9, 1999. The City requested Alameda County Public Works handle the appeal since the County had the technical expertise and data available on all of the City's flood control channels. The appeal was based on technical information and did result in a reduction in the originally proposed areas of projected flooding.

**Question:** How can I remove my property from Flood Zone A?

**Response:** FEMA has a procedure that provides property owners in flood zones the opportunity to remove their property from the flood zone provided the structure is constructed above the flood plane indicated on the FIRM. The property owner can submit a Letter of Map Change (LOMC) to FEMA through the City. The letter of Map Change includes several documents, including an elevation certificate which must be completed by a licensed civil engineer, land surveyor, or architect. There may be a filing fee to FEMA in the amount of \$400. The consultant cost is estimated between \$1,500 and \$2,000.

The property owner can also appeal a lender's determination. If the property owner chooses to appeal the lender's determination, the property owner can call **FEMA** at 1-800-FEMA MAP for information.

**Question:** Was there a public notice of the changed maps?

**Response:** Yes. The preliminary FIRM was published as a public notice in The Daily Review on January 30 and February 6, 1998, requesting comments from the public. The City and Alameda County have appealed the revised maps on behalf of the public and the revised maps were finalized only recently. One of the reasons for this specific letter is that this type of newspaper notice is often overlooked.

**Question:** Is it possible the development upstream of my property contributed to the existing capacity of the storm drainage facility in my area which in turn resulted in the reclassification of my property from Zone C to Zone A?

**Response:** No. When a new development is submitted to the City for approval, the City and Alameda County Flood Control District require that the developers not add additional runoff from the site proposed for development if the existing downstream drainage system would be impacted. In these cases, the developer is required by the County

and the City to install measures within the development to prevent an increase in the runoff. FEMA regulations require that no development can have negative effects on surrounding properties.

**Question:** You mentioned in your letter that I will get a lower rate if I purchase flood insurance prior to February 9, 2000, the effective date of the new **FIRM**.

**Response:** Yes, the property will be entitled to a reduced rate, which will remain in effect until the property transfers ownership.

January 5, 2000

**RE: REVISED FLOOD INSURANCE RATE MAP**

Dear Hayward Property Owner:

The Federal Emergency Management Agency (FEMA) has recently completed a restudy of the potential for flooding in Southern Alameda County, including the City of Hayward. Based on the results of this study, FEMA has determined that your property has less potential for flooding than previously thought. If you are currently required to have flood insurance as a condition of your mortgage, you may have the opportunity to drop this coverage as a result of the new FEMA study.

The map revisions appear to affect your property by changing the flood zone designation from Zone A (100-year Special Flood Hazard Area) to Zone C (no flood hazard) or Zone B (area between 100-year and 500-year Special Flood Hazard Areas with depths less than one foot). **Federal regulations only mandate flood insurance as a condition of a new or refinanced mortgage for properties located in Zone A.** The effective date of the new maps will be February 9, 2000. The revised FEMA maps may be reviewed at City Hall in the Engineering & Transportation Division.

We are notifying you of the map revisions, at this time, so that you may inform your insurance agent or lender that you appear to no longer be in Flood Zone A and that you may want to either cancel your insurance or purchase flood insurance at a discounted rate. This would result in substantial future savings to you.

FEMA Flood Insurance Regulations provide that an owner whose property is classified in Zone B or Zone C may purchase flood insurance at a lesser rate than if they are in Zone A. For example, the Zone C annual flood insurance premium is approximately one-half of the Zone A rate.

The City of Hayward participates in the Federal Government's National Flood Insurance Program by providing flood zone information to the public from the FEMA maps. However, City staff is not able to provide information on flood insurance premiums or on the process to obtain flood insurance. Detailed information on the flood insurance program is available from your insurance agent or the FEMA office in San Francisco at 415-923-7177. You may also call the National Flood Insurance Program information center at 1-800-427-4661. In addition, FEMA's internet site at [www.FEMA.gov](http://www.FEMA.gov) has additional information on the flood insurance program.

Your lender or insurance company may require something in writing as proof of change to the new flood zone designation. The City will provide, upon request, a "Flood Zone Certificate" based on the newly effective Flood Insurance Rate Map for your area.

**Exhibit C-1  
Properties Removed from Zone A**

If my staff can be of further assistance or if you have any questions, please call Norman Payne at (510) 583-4796.

Very truly yours,

ROBERT A. BAUMAN  
Deputy Director of Public Works

NP/ps